Sale of Shares of Modern Food to Hindustan Lever

*60. SHRI VAYALAR RAVI: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government have sold the major shares of the Modern Food to Hindustan Lever;

(b) if so, what is the price received and how the value of the assets was fixed; and

(c) whether Government are aware that the total assets of the Modern Food is Rs. 1000/- crores?

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING AND MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN JAITLEY): (a) and (b) The Government has disinvested 74% of its equity holding in Modern Food Industries (India) Ltd. (MFIL) to Hindustan Lever Limited (HLL). HLL has paid Rs. 105.45 crores to the Government and has further infused Rs. 20 crores in MFIL in such a way that the equity holding of HLL in MFIL remains restricted to 74%.

(c) The asset valuation done by the Government Valuer has pegged the market including land, building and flats etc. of MFIL at Rs. 109 crores. This value did not consider the restrictions/riders on the land use and lease hold conditions etc. The depreciated value of the plant and machinery of the Company as on 31.3.99 is Rs. 8.64 crores. There is no basis for valuing the total assets of the Company at Rs. 1000 crores.

WRITTEN ANSWERS TO UNSTARRED QUESTIONS

Dumping of Fibre Glass insulation in India by some Multinationals

292. SHRI C.M. IBRAHIM: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government's attention has been drawn to the report in the Business Standard of December 22, 1999 to the effect that some multinationals are resorting to large scale dumping of fibre glass insulation in India to the detriment of Indian Manufacturers;

(b) whether it is a fact that their selling price in India does not cover even their production and transportation cost; and

(c) what steps are being taken or have been taken to protect the interests of Indian producers?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN): (a) Yes, Sir.

(b) and (c) As per the Rules of Anti-dumping, initiation of Anti-dumping investigation is undertaken only when the domestic industry files a Petition to the Designated Authority, with prima facie evidence, of dumping, injury and causal link between the dumping of the imported goods and injury to the domestic industry. In this case ,the domestic industry has not filed any Petition before the Designated Authority in the Anti-dumping Directorate for initiation of investigation on dumping of Fibre Glass Insulation and, therefore, no investigation has been initiated as on date.

Disposal of Tobacco Stock through STC

293. SHRI RAMACHANDRAIAH RUMANDLA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government propose to help tobacco dealers in disposing their huge stocks lying unsold by involving State Trading Corporation in export stocks; and

(b) if so, the details thereof?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN): (a) and (b) As per the current EXIM Policy exports of tobacco are free and are undertaken by exporters in both public and private sectors. All attempts are being made to help liquidate the stocks with the State Trading Corporation who has already floated a global tender in this regard. As the bulk of tobacco exports are against rupee payment by Russia, the Government of India have asked the Russian Authorities to allocate sufficient rupee funds to the Russian cigarette factories on credit terms to enable them to purchase Indian tobacco. An Indian delegation would visit Russia shortly to pursue the matter and to explore opportunities for greater cooperation between the tobacco industries of the two countries.

Some of the steps taken to enhance export of tobacco, inter-alia, include:

(i) Re-orienting production and developmental strategies to the changing international needs i.e., encouraging production of low tar, low nicotine and light soil tobaccos and discouraging production in undesireable soils.